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IN THE

Supreme Court of the United States

October Term, 1952

No. 226

J. LAURITZEN,

Petitioner,

against

EVALD JOHANN LARSEN,

Plaintiff-Respondent,

BRIEF AS *AMICUS CURIAE* OPPOSING APPELLANT

SEAMEN'S UNION OF PANAMA,

By HERBERT LEBOVICI,
Counsel for Amicus Curiae.

JACOB RASSNER,
of Counsel.

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The undersigned, as counsel for the Seamen's Union of Panama, respectfully files, with consent of the petitioner and plaintiff-respondent pursuant to Rule 27, paragraph 9(a) of the Rules of this Court, this brief as *amicus curiae*.

Statement

This brief memorandum is submitted on behalf of the New York branch of the Seamen's Union of Panama, which has a membership of approximately 1700 members, sailing principally on vessels of Panamanian, Honduran, Liberian and Greek flag vessels.

ARGUMENT

I

The seamen and vessels concerned are an integral part of the commerce of the United States.

In 1951 64.2% of all dry cargo brought into the United States was imported in non-United States vessels. (Appendix A, p. 4.) In 1951 62.1% of all cargo exported from the United States was exported from United States ports in non-United States vessels. (App. A, p. 2.) In 1951 50.7% of all liquid cargo imported into the United States was carried in non-United States vessels. (App., p. 5.) In 1951 66.4% of all liquid cargo exported were exported in non-United States flag vessels. (App., p. 3.)

Among the countries whose vessels were so engaged in 1952 were Panama (apart from the United States the 3rd largest maritime power in the World) with 5,597,000 dead weight tons of dry cargo merchant vessels (App. B) and 2,901,022 dead weight tons of tanker vessels (App. C). There was Liberia, another martime power with 1,501,000 dead weight tons of dry cargo vessels (App. B) and 1,011,804 dead weight tons of tankers (App. C). The *Shipping World* for August 20, 1952 (App. C) notes:

> "It is remarkable that the first tanker was placed under the Liberian flag only just over three years ago and that this flag now takes seventh place, with a total of more than 1,000,000 tons d. w."

Also represented were Honduras with 591,000 dead weight tons dry cargo and 229,910 tons dead weight of tanker vessels; Greece with 1,791,000 dry cargo and 167,770 dead weight tons of tanker vessels; Japan with 3,512,000 dead weight tons of cargo and 562,896 dead weight tons of tanker

vessels, to mention but a few. (App. B & C.) Concerning new vessels in building *Shipping World* (App. C) states:

> "The bulk of the newbuilding tankers fall into three broad groups. The largest comprises vessels for U. S. oil companies and tramp owners of U. S. and various other nationalities which are likely to go under U. S. Panamanian and Liberian flags. . . ."

Furthermore the designation of a vessel as Honduran, Liberian, Panamanian or otherwise, signifies only that the vessel flies the particular flag but that a corporation of different nationality has paid a fee for the privilege of hoisting a particular flag. The stockholders of this corporation may be and usually are of still a third and different nationality, and the seamen on board the vessel are citizens of any countries of the world.

The seamen who man these vessels and carry this cargo are hired, discharged, and find their employment in the United States on the beginning and ending of the voyages when cargo is loaded or discharged. No more so, than the vessels themselves, are they members of a community to which they return, other than the United States. Other briefs submitted herein have proven that in the majority of situations so concerned, the actual control, direction and operation of these vessels is likewise from within the United States.

Necessarily, because the heart of the shipping operation is here in the United States, the laws of the United States predominantly subscribe and limit the mechanics of the shipping operation, and the functioning of the personnel engaged in such operation on both the side of the employer and the employee. For example in the event of the vessel's loss or damage the United States Limitation of Liability

Act can be made to apply. In the event of damage or loss to cargo the United States' Carriage Of Goods By Sea Act will be applicable. The public press is presently replete with the complaints of other nations with respect to the manner and extent to which the new McCarran Law (the Immigration and Nationality Act of 1952) will control the movement, shipment and discharge of foreign seamen on board non-United States vessels entering United States harbors. It is undisputed that the La Follett Act controls payment of wages to foreign seamen in the United States. In short, it is perhaps not too strong to say that every element of the shipping operation in the United States is controlled by the United States law except perhaps for the exception now sought to be claimed by the petitioner with respect to a seaman's right to claim recompense for injuries suffered in the vessel's service.

II

To remit the seaman to the law of the flag is to pay lip service to his right to a remedy.

It has been considered dogma that a seaman, is the ward of the legislature and the Court (*Bainbridge* v. *Merchants & Miners Transp. Co.*, 287 U. S. 278, 1932), will not be turned out of Court without a remedy. Thus, in *The Falco*, 20 F. 2d 362 (CA 2) 1927, the Court states at page 363:

> "Nevertheless, Courts of Admiralty, which are sensitive to a seaman's rights, or at least have always professed to be, will in such cases, before turning him out of Court, satisfy themselves that there are no special circumstances which will leave him without adequate remedy. The Bocherdass Ambaidass, Fed. Cas. No. 1,203; Willendson v. Forsoket, Fed. Cas. No. 17,682; The St. Oloff, Fed. Cas. No. 17,357; The Topsy (D. C.) 44 F. 631; The Sirius (D. C.) 47 F. 825; The Ester (D. C.) 190 F. 216."

Apart from the Jones Act now the subject of consideration, the foreign seaman in the United States has received little recompense for industrial accidents suffered by him so as to justify by performance the implied promise contained in the above quotation from *The Falco, supra.* His right to relief in courts of the United States, apart from rights accorded by the Jones Act, consisted of two principal factors. The first, was his right, if any, to avail himself of the United States courts as a forum in which to seek relief. His only right in this respect was to file a libel in Admiralty, that is, to seek relief before a court without a jury. Whether or not the court would entertain the case was a matter resting in the sole discretion of the district court judge, *Langnes* v. *Green,* 282 U. S. 531, 51 S. Ct. 243. It is common knowledge that in the exercise of this discretion the Admiralty courts invariably decline jurisdiction, and the libel is dismissed at the threshold. The seaman's adjective right was at best the right to file a libel which equally quickly would be declined.

Substantively the seaman was in no better position. There was no common certain remedy applicable to all cases in those few where the court retained jurisdiction of the case long enough to consider whether or not damages should be awarded for the injuries suffered. Under the general maritime law, if that were the standard adopted, the seaman's right was to recover for maintenance and cure, and indemnity in the event of unseaworthiness not affected by the contributory fault of a fellow seaman, or of a risk assumed by the seaman himself. It was the insufficiency of this remedy for United States seamen which required the passage of the Jones Act. Even this remedy, however, was often denied by our courts to non-United States seamen as witness *The Hanna Nielsen,* 273 Fed. 171, cert. denied 257 U. S. 652, the doctrine of which would have required the foreign seaman to prove the existence of some remedy by foreign law as a prerequisite to any recovery at all. The

utter uncertainty and complexity as to the measure or nature of relief that might be afforded is illustrated in *The City of Athens,* 83 F. Sup. 67 at page 83 (D. C. Maryland).

Obviously any remedy so difficult to come by and so uncertain of application is no remedy at all. The seaman shipping on a foreign vessel from the United States has no remedy, unless the minimum security afforded by the Jones Act (Section 33 of the Merchant Marine Act of June 5, 1920, 41 Stat. 1007, Title 46 U. S. C. A. Section 688) as interpreted by the Court of Appeals for the Second Circuit affords him that minimum security which the Court of Appeals has interpreted it to afford.

In the instant case, the statement is categorically made at page 4 of the appellant's application for certiorari that Larsen, the plaintiff *sub judice,* had received all the benefits afforded to him by Danish law, in these words:

> "These were the benefits to which Larsen was entitled under the Danish Law as subscribed to by Larsen when he signed aboard the SS Randa."

In view of the pitiful nature of the payment made to Larsen, when compared with the serious nature of the injury suffered, the statement quoted would constitute, if true, a very serious reflection upon the adequacy of any remedy afforded by Danish law. That it is not true, and, that Danish law has a workmen's compensation system applicable to seamen on Danish vessels, however, does not improve the situation. It does not appear that any benefits that the Danish workmen's compensation law might provide were in any way available to Larsen. Very long experience with a legal practice in behalf of foreign seamen justifies the categorical statement that the workmen's compensation laws of those few countries that claim to provide such benefits to seamen do not in practice afford a remedy to the seaman affected. Ritualistically the pattern in each such

case is uniformly the same. The seaman injured aboard a vessel upon discharge from the hospital reports to the office of the vessel or its agent. Here he is told that he must go to the consulate. The consulate advises him that he has received all that the particular national law affords him. He then seeks the assistance of a United States lawyer who institutes an action, either in admiralty or at law, seeking to impress the provisions of United States law upon the transaction. Then, for the first time, the seaman hears about workmen's compensation when an application is made to the court to dismiss or decline the libel or complaint as the case may be upon the alleged ground that the foreign law affords a remedy by way of workmen's compensation, and, that the respective consul is prepared to entertain the application for such compensation. The application to the court prevailing, the complaint is dismissed, and, the seaman never receives anything through workmen's compensation or otherwise.

It is claimed with respect to the Scandinavian nations that the situation is different. Experience does not justify the contention. Furthermore the usual practice among such laws, which have very little application to the reality of the seaman's situation, is to afford an alleged right of relief only to nationals of the same flag. If therefore the seaman should be as is often the case a Dane or a Greek on board a Norwegian vessel, even the paper right to compensation does not purport to exist.

Panama likewise has a workmen's compensation law which is allegedly applicable to seamen. The illusory nature of the remedy so provided may be judged from the following. John Georgiou was a Greek seaman employed aboard the Panamanian flag IONIAN PIONEER. He was injured while working aboard this vessel in Chester, Pennsylvania, on June 1, 1951. His counsel brought suit for the payments provided in the Panamanian Workmen's Compensation

Law in a case entitled *Georgiou* v. *Compania de Navegacion de Cristobal, S.A.*, Index Number 52565/1951, in the Municipal Court of the City of New York. Compania de Navegacion, as may be noted, is one of those companies whose stock is held by persons of Greek extraction who maintain an office within the office of Simpson, Spence & Young, Inc., at 52 Broadway, in the City of New York.

On the trial of the action the plaintiff was met by two contentions.

1. That a state will not enforce the workmen's compensation laws of another stated and cited *Vardicchio* v. *McNab, etc., Co.*, 178 App. Div. (N. Y.) 48; *Lehman* v. *Ramo Films, Inc.*, 92 Misc. 418; *McCarthy* v. *McAllister Steamboat Company*, 94 Misc. 692; *Yosi Ogino* v. *Barnard C. Black, et al.*, 238 App. Div. 146 (N. Y.); Freund, *Chief Justice Stone and the Conflict of Laws*, 59 Harv. L. Rev. 1210, 1229.

2. That the plaintiff could not recover because he did not meet the procedural requirement that the case be brought in a Panamanian court, as required by procedural provisions of the Law of the Republic of Panama.

Thus, where the claimant is willing to limit himself to the recovery provided by the law of the vessel's flag, the shipowners and their insurers are not willing to meet even this minimum requirement of justice.

Prior to the application of the Jones Act to foreign vessels and foreign seamen, the initial assumption made by the courts was that the foreign vessel had a system of law to which the seaman might apply and gain relief. Such assumption required that the seaman pick himself up and proceed to the country of the vessel's nationality and prosecute his remedy in the forums of that country. For an injured or disabled seaman to be so required, and to make

his way to Panama, Liberia, Honduras or Denmark as the case may be and seek his remedy there is so unreal as to afford no remedy whatsoever, and our courts have on occasion so recognized. *The Eir*, 60 F. 2d 124, 125 (CA 4) 1932.

Furthermore, unlike the present day situation in the days of *The Belgenland*, 114 U. S. 355 (1884), and *The Scotia*, 105 U. S. 24 (1881), when the country of the vessel's flag provided a forum common to the nationality of both the seaman and the defendant, there was at least some logic to the requirement, if no practicable result. At least in theory and sometimes in practice in those days, both the vessel and the seaman returned to a common home port where their troubles might be litigated.

The modern situation, however, where the seaman of one nationality signs on a vessel of a particular flag owned by a corporation of a third nationality, and to none of which nations none of the three ever return, presents an entirely different situation.

The remissions of the seaman's claim for relief to distant and foreign authorities and forums has a dream-like aspect if it be appreciated that in practically all such cases the actual operation of the vessel in question is directed from an office located in the City of New York or elsewhere in the United States.

It is likewise clear, that the nations of the vessel's flag provide no remedy to the seaman in the United States or elsewhere. Thus for example the International Labour Office in a report of a committee of inquiry of that organization entitled "Conditions In Ships Flying The Panamanian Flag", published at Geneva in 1950, found that the fourth largest maritime power (Panama) in the world was impotent to police its vessels with respect to those elemental conditions of safety and seaworthiness which have been internationally recognized such as the subject matter of the

International Load Line Convention and the Safety at Sea Convention. At page 21 of this report the Committee found:

> "The two most important international instruments governing safety at sea are the international Safety of Life at Sea Convention, 1929, and the Loadline Convention, 1930. Both these Conventions were ratified by Panama in July, 1936. The former Convention was revised in London in 1948, but only a few countries have so far confirmed their acceptance of it. The two Conventions contain an exhaustive series of provisions concerning all aspects of safety at sea: construction and survey, life-saving appliances, wireless telegraphy, signals, marking of loadlines, loading of timber, and various certificates that must be obtained on these matters. Most countries which have acceded to these Conventions have issued regulations to secure their enforcement on national ships, but this has not so far been done by Panama."

It was likewise impotent to enforce such laws as existed with respect to seamen, and, such law as did exist, were conflicting and below international standards. At page 28 of Conditions, the report states:

> "As was already pointed out the weakness of the Panamanian Consular service in the past has left the owners and masters in many cases with a comparatively free hand in determining conditions on board their ships."

At page 33 of the report in discussing "Claims For Liability Or Social Security" the report states:

> "The Committee found that on these points the answers to its questions were in most cases very vague. Sometimes the masters (or other persons

interviewed) stated that they thought the shipowner was covered by insurance against his liability towards sick or injured seamen, but on closer questioning they expressed doubts as to whether illness would be covered beyond a very short period and as to whether repatriation would be covered. In other cases the persons questioned said no case had arisen to their knowledge, and therefore they did not know what might happen. Others admitted that they had no real guarantees in their contracts and that they probably could not enforce any claims they might have. The Committee has received evidence in a number of cases of the difficulty which seafarers or their dependents have in enforcing their claims to compensation which may be due to them under Panamanian law. The claimant may be in Sweden or China. The agent may be in Panama and the actual owner in New York or London or Buenos Aires. If the claim is brought before the Panamanian courts, legal expenses may swallow up most of the claim. If a settlement is attempted through the Panamanian consul in the country of origin, it is a matter for negotiation between the parties, and the local courts may well declare themselves incompetent if recourse is had to them.

"In the ships visited, the Committee was informed (but had no means of verifying the statement) that the shipowners' liability was fully covered, usually by commercial insurance, in 17 cases out of 30. In two cases it was stated that the shipowner had no liability in the event of sickness or injury, and in three cases doubts were expressed as to whether any liability would be acknowledged. In two cases it was doubted whether repatriation at the end of illness would be covered, and in one case it was stated that medical treatment would probably be granted only for a very

short period. As regards social security, there were only five ships in which the crews were insured (these were all Italian). In 18 cases it was definitely stated that there was no social security coverage of any kind. In two ships certain members of the crews were covered by voluntary group insurance in the United States. However, even in certain cases where there was no insurance it was stated that compensation under Panamanian law had been paid to permanently disabled men or to the dependents of seafarers who died on service. But it appeared that this was usually only after pressure had been brought on the owners by the Panamanian consular authority."

Obviously, in the United States or elsewhere, Panama enforces no practical relief to the seaman in Larsen's position even though the countries claim to have legislation that is applicable to their situation. There is no basis for belief that the situation with respect to Denmark is different.

Certainly it is also the more appropriate that a remedy for injury be available to the seaman who works on vessels unpoliced for elemental conditions of safety.

That the factual situation with respect to such vessels grows worse rather than better with the passage of time, is evidenced, if by nothing else, by the following quotation of the *International Transport Workers Journal* of September, 1952, published by the International Transport Workers Federation with respect to its 22nd Congress at Stockholm of July, 1952.

"After holding their own separate conference, the Dockers' and Seafarers' Sections met in a joint conference out of which the important decision emerged that in future the dockers' unions affiliated with the ITF will join hands with the seamen's unions in the campaign the ITF has been carrying on during the

past few years against the practice of shipowners in different countries of registering their ships under Panamanian, Honduran, Liberian and similar flags for the purpose of evading their legal responsibilities towards their crews. An International Campaign Committee for the Promotion of Fair Practices has been set up and steps are to be taken which it is believed will not be long in showing their effectiveness. One of these will be the creation of a special fund to take the place of the differential rates which shipowners have hitherto been required to pay for seamen sailing under the flags of countries which have not an effective social security scheme. In future they will be required to contribute to this fund. A special officer is to be engaged to take charge of the campaign."

But what of other countries that have little or no law whose vessels carry cargo in and out of United States ports. Take for example the martime law of Liberia which consists of a single sentence. (The Liberian Maritime Code as Amended 12/22/49—Title I.)

"In so far as it does not conflict with any other provisions of this Act, the non-statutory general Maritime Law of the United States of America is hereby declared to be and is hereby adopted as the general Maritime Law of the Republic of Liberia."

What is the remedy of a Greek or Danish seaman who has joined such a vessel owned by a Panamanian corporation, and where must he seek it? Is his remedy under Panamanian law because the law to be applied on shipboard is that of the domicile of the vessel's owner (*Moore's Digest of International Law*, §323; *The Hamilton*, 207 U. S. 398; *Fisher*

v. *Fisher*, 250 N. Y. 313, 318-19 (1929); *International Nav. Co.*, 123 F. 475 (CA 2) 1903; *The San Jose Indiano*, Fed. Cas. No. 12, 322) or is it under Liberian law because such is the law of the flag? *Sonnensen* v. *Panama Transport Co.*, 298 N. Y. 262 (1948); *Rainey* v. *N. Y. C. P. S.S. Co.* (CA 9), 216 F. 449 (1914). Must he go to Monrovia to sue, or, to the Republic of Panama? What is the possibility of securing jurisdiction over a financially responsible defendant in either place? The International Labour Office committee found at page 9:

> "The 644 vessels were owned by 384 different companies, the majority of the ships belonging to companies with only one ship registered in Panama. There were 293 such companies, while 51 companies had only two ships each. Only four companies had more than ten ships each."

It is clear that these "companies" had no effective presence in Panama which might be the subject of practical jurisdiction. The International Labour Office Committee Report stating at page 22:

> "The situation of Panama as regards its Merchant Marine is a peculiar and very exceptional one. The vast majority of the ships which constitute its fleet do not go to Panama for registration nor do they normally trade to and from ports in that country . . . so far as can be learned, the vast majority of the owners of ships under the Panama flag live elsewhere than in Panama, being represented in that country merely by an agent."

Obviously again, the only place where the seaman has a practical and enforcible remedy is in the United States where the vessels come in and the cargo is handled.

To sum up, apart from the Jones Act, the alien seaman has no certain, uniform and effective remedy for the prosecution of claims arising in the service of a non-United States vessel.

III

It is entirely fair that the Jones Act should be applied to foreign vessels in the United States.

Nor is this to suggest, that this Court should attempt to supplant any proper application of foreign law to a vessel, or, that this Court should make mandatory the operation of United States law in all cases aboard foreign vessels. The Jones Act itself, states:

> "Any seaman who shall suffer personal injury in the course of his employment may, at his election, maintain an action for damages at law, with the right of trial by jury. . . ."

Clearly under the Jones Act, the seaman (and "any seaman" clearly includes a foreign seaman) has in addition to any other rights which he may or may not have, an election to maintain a claim under the Jones Act. This is not a statement that the seaman may recover twice. It is merely a statement that he may elect to place his claim for recovery under the Jones Act.

Such election is entirely consistent with the existence of any right or remedy that may or may not exist under any foreign law. Assuming that foreign law gives to foreign seamen an enforceable right or remedy, there is no reason why he should not have the same right of election that the American seaman has, and if upon conscious election he shall stake his chances under the Jones Act, no result is

achieved that is other than fair. On the other hand in all such cases as no other practical alternative is provided to the seaman he still has at least his remedy under the Jone Act to prosecute. Far from creating a right to recover twice, for which no one argues, the seaman seeks to uphold the only one practical right of recovery he has thus far been able to obtain. If another remedy be occasionally available, he will have to elect, as required by the Act, between the two.

If absolute symmetry is lacking in such a result, it is not a matter of judicial concern. The court is too well aware of similarly asymmetric results that have been sustained by the martime courts of this country and others. *The Titanic*, 233 U. S. 718 (1913); *Robinson on Admiralty*, p. 904. Nor is the result so achieved an improper interference with the sovereign rights of other municipalities. Just as similarly, the United States has legislated with respect to seamen's wages, ocean bills of lading, limitation of liability, immigration and other phases of marine law which merely impose United States law to a limited extent as a condition of the foreign vessel's entry to our ports. It may properly do so with respect to injury claims. Such a result is not even expensive to the shipowner, for it is within the realm of common knowledge that the risks so assumed are insured, and, the losses so had are borne where they properly should be borne, by the industrial community which creates them. *Keen* v. *Oveaseas Tankship Corporation* (CA 2) (Decided Feb. 5, 1952, not yet officially reported.) 1952 A. M. C. 241, cert. den. 1952 A. M. C. 1281.

Conclusion

Justice, which has long been denied seamen on non-United States vessels, requires that the Jones Act continue to be applied to foreign seamen shipping from these ports in such cases as they shall elect to pursue such remedy, and that the holdings of the lower court be affirmed.

Respectfully submitted,

SEAMEN'S UNION OF PANAMA,

By HERBERT LEBOVICI,
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Appendix A

U. S. DEPARTMENT OF COMMERCE
Charles Sawyer, Secretary

BUREAU OF THE CENSUS
Roy V. Peel, Director

CENSUS

UNITED STATES FOREIGN TRADE

CALENDAR YEAR 1951

SUMMARY REPORT
FT 973

FOR IMMEDIATE RELEASE
September 26, 1952

WATER-BORNE TRADE BY TRADE AREA

COVERAGE

This report presents annual statistics in terms of calendar year periods. The calendar year figures represent shipments unladen from and laden on vessels arriving or departing during the interval January 1 - December 31, and are being presented as part of an interagency program designed to promote the presentation of governmental shipping data on as nearly a uniform basis as possible. The official sources for determining vessel arrival and departure dates are the Bureau of Customs Forms 1400 and 1401, Record of Vessels Engaged in Foreign Trade -- Entered or Arrived Under Permit to Proceed and Record of Vessels Engaged in Foreign Trade - Cleared or Granted Permit to Proceed, respectively.

The statistical year figures for 1951, representing the aggregate of transactions processed during the twelve monthly account periods January - December 1951, were published in Report FT 973 dated June 17, 1952. This report included some shipments unladen from and laden on vessels during the latter part of 1950 and omitted some late shipments made during 1951 for which information was not received in time to be included in the statistical year figures (see July 1952 issue of Foreign Trade Statistics Notes).

The 1951 calendar year figures presented in this report reflect the data shown in the statistical ledgers as of September 1, 1952. Any subsequent data received for 1951 transactions will not be included in the calendar year figures without the concurrence of an interagency group representing the Bureau of the Budget, the Maritime Administration, the Corps of Engineers of the Department of the Army, and the Bureau of the Census.

This Report FT 973 gives the shipping weight of exports and imports of merchandise carried on tankers, and on dry cargo vessels classified according to type of service, i.e., "liner," and "irregular or tramp." "Liner" service is that type of service offered by a regular line operator of vessels on berth. The itinerarles and sailing schedules of vessels in "liner" service are predetermined and fixed. "Irregular or tramp" service is that type of service afforded by vessels, other than tanker vessels, which are chartered or otherwise hired for the carriage of goods on special voyages. Vessels in this type of service are not on berth and their sailing schedules are not predetermined and fixed.

Vessel export figures in this report include exports and re-exports from continental United States, trade between Alaska, Hawaii, Puerto Rico, and foreign countries, exports of non-Department of Defense controlled cargo under the various foreign aid programs, and export shipments to United States Government agencies except the United States armed forces abroad. Effective with the statistics for July 1950, export shipments of "Special Category" commodities (see Foreign Trade Statistics Notes for September and October 1950) are excluded from the export figures in this report. Also excluded are shipments to the United States armed forces abroad for their own use, shipments of Department of Defense controlled cargo as described below, shipments between continental United States and the Territories and Possessions, and shipments between the Territories and Possessions.

Exports by vessel are credited to the trade area in which the merchandise was unladen.

Import figures in this report are general imports and represent the total of imports for immediate consumption plus entries into Customs bonded storage and manufacturing warehouses. Imports are credited to the trade area in which the merchandise was laden.

These figures do not include arrivals or departures of cargo moving in transit under bond through the United States from one foreign country to another. Information on such shipments moving by vessel is presented in Report FT 981. Vessel shipments by mail or parcel post are not included in either the export or import data. Shipments valued at $100 or less are excluded from the export data. Effective July 1951, similarly valued shipments are excluded from import statistics where the shipping weight is less than 10,000 pounds.

Export shipments on Army-or Navy-operated vessels which are included in the total United States export statistics such as in Reports FT 900, 930, 950, 410, 420, etc., are not included in the export figures shown in this report; but information on such shipments is presented in Report FT 976. Army-or Navy-operated vessel shipments represent export shipments under special programs such as Civilian Supply, Economic Cooperation Administration, Greek-Turkish Aid, etc., made by the Department of the Army or Department of the Navy under the following arrangements:

1. Shipments under these programs by the Departments of the Army and Navy on American-flag commercial vessels. In most cases the vessels are chartered by the Army or Navy under time charter, voyage charter, or space charter arrangements.
2. Shipments under these programs by the Departments of the Army and Navy on Army or Navy transports (vessels owned and operated by the Army or Navy).

Import shipments on Army or Navy transports (vessels owned and operated by the Army or Navy), which are included in the total United States import statistics such as in Reports FT 900, 930, 950, 110, 120, etc., are not included in the import figures shown in this report. However, any import shipments on vessels chartered by the Army or Navy under time charter arrangements are included (export shipments under such arrangements are excluded from the export vessel shipping statistics).

The data presented in this report are preliminary and subject to revision.

Prepared in the Bureau of the Census, Foreign Trade Division

Table 1.--SHIPPING WEIGHT OF UNITED STATES EXPORTS OF DOMESTIC AND FOREIGN MERCHANDISE ON DRY CARGO VESSELS BY TYPE OF SERVICE, TRADE AREA AND FLAG OF VESSEL: CALENDAR YEAR 1951

Data in millions of pounds. Totals represent the sums of unrounded figures, hence may vary slightly from the sums of the rounded amounts

Trade Area	Calendar year 1951									Calendar year 1950		
	Total dry cargo			Liner service[1]			Irregular or tramp service[1]			Total dry cargo		
	Total	United States flag	Percent U.S.	Total	United States flag	Percent U.S.	Total	United States flag	Percent U.S.	Total	United States flag	Percent U.S.
Trade area grand total[2]	202,729.9	76,836.3	37.9	50,422.9	23,537.9	46.7	152,355.1	53,298.4	35.0	107,618.1	32,966.1	30.6
Foreign trade areas except Canadian	156,073.4	65,088.2	41.7	50,027.9	23,394.7	46.8	106,045.6	41,693.5	39.3	61,312.5	22,060.6	36.0
Caribbean	8,823.3	3,420.4	38.8	7,054.8	3,248.7	46.0	1,768.6	171.7	9.7	8,087.9	3,157.1	39.0
East Coast South America	10,117.5	3,524.2	34.9	4,092.0	1,991.6	48.7	6,025.5	1,532.6	25.4	4,983.6	1,102.3	22.1
West Coast South America	2,746.3	1,138.6	41.5	1,755.7	1,005.7	57.3	990.6	132.9	13.4	1,777.2	698.3	39.3
West Coast Central America and Mexico	294.4	140.7	47.8	252.5	138.3	54.8	41.9	2.4	5.7	254.6	128.9	50.6
Gulf Coast Mexico	953.5	325.9	34.2	575.9	283.0	49.1	377.6	42.9	11.4	935.7	289.3	30.9
United Kingdom and Eire	13,647.8	4,541.2	33.3	4,009.4	1,594.4	39.8	9,638.4	2,946.8	30.6	5,834.5	2,116.8	36.3
Baltic, Scandinavia, Iceland and Greenland	10,401.0	2,847.7	27.4	2,759.6	906.3	32.8	7,641.4	1,941.4	25.4	2,672.3	701.2	26.2
Bayonne-Hamburg Range	53,277.7	24,080.2	45.2	11,412.0	5,192.1	45.6	41,865.7	18,888.1	45.1	14,085.0	5,410.8	38.4
Portugal and Spanish Atlantic	826.9	91.4	11.1	304.6	28.9	9.5	522.3	62.5	12.0	847.7	241.1	28.4
Azores, Mediterranean and Black Sea	24,377.4	10,075.6	41.3	5,298.1	2,420.9	45.7	19,079.3	7,654.7	40.1	8,513.7	2,936.2	34.5
West Coast Africa	2,159.8	785.4	36.4	705.0	255.9	36.3	1,454.8	529.5	36.4	764.7	221.6	29.0
South and East Africa	1,619.4	1,029.4	63.6	1,384.5	972.3	70.2	234.9	57.1	24.3	1,210.8	506.7	41.8
Australasia	1,641.7	335.7	20.4	1,371.3	322.8	23.5	270.4	12.9	4.8	1,203.0	251.7	20.9
India, Persian Gulf and Red Sea	8,699.5	5,524.4	63.5	2,097.4	1,098.3	52.4	6,602.1	4,426.1	67.0	3,085.5	770.2	25.0
Straits Settlements and Netherlands East Indies	2,676.2	1,285.1	48.0	2,602.4	1,238.9	47.6	73.8	46.2	62.6	577.0	249.2	43.2
South China, Formosa and Philippines	973.6	694.7	71.4	780.9	555.6	71.2	192.8	139.1	72.1	2,760.8	1,382.2	50.1
North China including Shanghai and Japan	12,837.8	5,247.5	40.9	3,572.1	2,140.8	59.9	9,265.7	3,106.7	33.5	3,718.5	1,897.0	51.0
Canadian trade areas	46,704.5	11,748.0	25.2	395.0	143.1	36.2	46,309.5	11,604.9	25.1	46,305.6	10,905.5	23.6
Pacific Canada	573.8	265.0	46.2	219.7	142.5	64.9	354.1	122.5	34.6	541.9	202.3	37.3
Great Lakes Canada	43,114.6	11,458.0	26.6	36.5	.....	.....	43,078.1	11,458.0	26.6	42,609.9	10,701.9	25.1
Atlantic Canada and Newfoundland	3,016.0	24.9	0.8	138.7	0.6	0.4	2,877.3	24.3	0.8	3,153.8	1.3	(*)

*Denotes less than 50,000 pounds; less than one tenth of one percent.

[1]Classification of dry cargo vessels as "liner" or "irregular or tramp" is based on characteristics of each voyage (whether the voyage is part of a scheduled berth operation, etc.) using the classification criteria of the Maritime Administration.

[2]Export shipments of "Special Category" commodities (See Foreign Trade Statistics Notes for January and February 1952) are excluded from these data.

Table 2.--SHIPPING WEIGHT OF UNITED STATES EXPORTS OF DOMESTIC AND FOREIGN MERCHANDISE ON TANKER VESSELS BY TRADE AREA AND FLAG OF VESSEL: CALENDAR YEAR 1951

Data in millions of pounds. Totals represent the sums of unrounded figures, hence may vary slightly from the sums of the rounded amounts

Trade area	Calendar year 1951			Calendar year 1950		
	Total	United States flag	Percent U. S.	Total	United States flag	Percent U. S.
Trade area grand total[1]	28,843.8	9,679.4	33.6	18,270.0	7,941.8	43.5
Foreign trade areas except Canadian	20,258.2	4,708.8	23.2	9,697.9	4,051.1	41.8
Caribbean	3,083.2	2,049.8	66.5	2,319.4	1,565.6	67.5
East Coast South America	484.1	277.0	57.2	310.1	87.4	28.2
West Coast South America	721.6	334.0	46.3	757.3	227.8	30.1
West Coast Central America and Mexico	1,706.0	490.9	28.8	1,449.0	395.5	27.3
Gulf Coast Mexico	24.8	9.9	39.9	34.6	11.9	34.4
United Kingdom and Eire	4,460.5	332.9	7.5	2,084.2	433.6	20.8
Baltic, Scandinavia, Iceland and Greenland	1,293.1	101.7	7.9	543.4	267.7	49.3
Bayonne-Hamburg Range	1,457.0	348.4	23.9	987.5	564.1	57.1
Portugal and Spanish Atlantic	43.8	2.3	5.3	46.4	.....	.....
Azores, Mediterranean and Black Sea	715.0	203.0	28.4	739.2	361.1	48.9
West Coast Africa	235.9	42.6	18.1	92.0	71.7	77.9
South and East Africa	419.9	110.2	26.2	100.4	32.0	31.9
Australasia	1,354.7	111.9	8.3	23.5	2.5	10.6
India, Persian Gulf, and Red Sea	810.6	64.1	7.9	0.1	0.1	100.0
Straits Settlements and Netherlands East Indies	638.9	.....	.....	(*)	.....	.....
South China, Formosa and Philippines	440.5	57.7	13.1	46.3	.....	.....
North China Including Shanghai, and Japan	2,368.6	172.3	7.3	164.2	30.1	18.3
Canadian trade areas	8,585.6	4,970.6	57.9	8,572.1	3,890.7	45.4
Pacific Canada	4,245.2	2,645.0	62.3	4,249.4	2,111.8	49.7
Great Lakes Canada	3,910.8	2,059.1	52.7	3,858.4	1,395.7	36.2
Atlantic Canada and Newfoundland	429.5	266.5	62.0	464.3	383.2	82.5

*Denotes less than 50,000 pounds; less than one tenth of one percent.

[1]Export shipments of "Special Category" commodities (see Foreign Trade Statistics Notes for January and February 1952) are excluded from these data.

Table 3.--SHIPPING WEIGHT OF UNITED STATES GENERAL IMPORTS OF MERCHANDISE ON DRY CARGO VESSELS BY TRADE AREA, TYPE OF SERVICE, AND FLAG OF VESSEL: CALENDAR YEAR, 1951

Data in millions of pounds. Totals represent the sums of unrounded figures, hence may vary slightly from the sums of the rounded amounts

Trade Area	Calendar year 1951									Calendar year 1950		
	Total dry cargo			Liner service[1]			Irregular or tramp service[1]			Total dry cargo		
	Total	United States flag	Percent U.S.	Total	United States flag	Percent U.S.	Total	United States flag	Percent U.S.	Total	United States flag	Percent U.S.
Trade area grand total	99,890.1	35,754.9	35.8	35,116.1	16,463.2	46.9	64,774.0	19,291.7	29.8	93,777.1	29,150.3	31.1
Foreign trade areas except Canadian	75,413.4	31,930.5	42.3	33,776.9	15,974.5	47.3	41,636.6	15,956.0	38.3	69,282.5	25,954.1	37.5
Caribbean	17,568.0	7,189.9	40.9	3,968.3	1,873.9	47.2	13,599.7	5,316.0	39.1	16,036.7	3,638.6	22.7
East Coast South America	5,805.6	2,418.1	41.7	3,394.8	1,814.0	53.4	2,410.8	604.1	25.1	5,309.3	1,897.5	35.7
West Coast South America	9,982.0	7,705.5	77.2	2,574.4	1,704.7	66.2	7,407.6	6,000.8	81.0	8,972.3	7,279.5	81.1
West Coast Central America and Mexico	1,277.5	1,022.9	57.5	484.4	402.1	83.0	1,293.1	620.8	48.0	1,773.9	1,224.1	69.0
Gulf Coast Mexico	578.6	138.7	24.0	327.5	134.7	41.1	251.1	4.0	1.6	790.5	225.7	28.6
United Kingdom and Eire	1,771.4	574.8	32.4	1,301.2	557.0	42.8	470.2	17.8	3.8	1,782.2	633.0	35.5
Baltic, Scandinavia, Iceland and Greenland	7,694.3	2,110.2	27.4	2,580.0	746.7	28.9	5,114.3	1,363.5	26.7	7,150.7	1,499.9	21.0
Bayonne-Hamburg Range	8,431.7	1,827.0	21.7	5,822.0	1,643.1	28.2	2,609.7	183.9	7.0	6,538.1	1,738.7	26.6
Portugal and Spanish Atlantic	671.0	128.9	19.2	431.1	124.6	28.9	239.9	4.3	1.8	559.4	190.1	34.0
Azores, Mediterranean and Black Sea	4,258.8	1,325.9	31.1	1,985.1	919.7	46.3	2,273.7	406.2	17.9	4,038.8	1,032.0	25.6
West Coast Africa	2,695.8	855.2	31.7	1,362.2	602.9	44.3	1,333.6	252.3	18.9	2,113.8	478.1	22.6
South and East Africa	2,616.5	1,552.5	59.3	1,559.4	1,334.1	85.6	1,057.1	218.4	20.7	2,733.8	1,382.2	50.6
Australasia	688.3	251.2	36.5	445.1	212.1	47.7	243.2	39.1	16.1	637.5	219.9	34.5
India, Persian Gulf and Red Sea	3,340.7	1,155.7	34.6	1,958.1	1,005.9	51.4	1,382.6	149.8	10.8	3,380.4	1,008.1	29.8
Straits Settlements and Netherlands East Indies	2,310.7	1,420.2	61.5	1,870.2	1,062.7	56.8	440.5	357.5	81.1	2,457.5	1,297.6	52.8
South China, Formosa and Philippines	4,394.5	1,775.7	40.4	2,999.3	1,400.8	46.7	1,395.2	374.9	26.9	3,797.9	1,602.5	42.2
North China including Shanghai and Japan	828.1	477.8	57.7	718.8	435.4	61.0	114.3	42.4	37.1	1,209.6	606.5	50.1
Canadian trade areas	24,476.6	3,824.4	15.6	1,339.2	488.7	36.5	23,137.4	3,335.7	14.4	24,494.6	3,196.2	13.0
Pacific Canada	2,686.2	898.4	33.4	721.5	484.1	67.1	1,964.7	414.3	21.1	4,820.9	1,298.7	26.9
Great Lakes Canada	12,107.8	1,692.7	14.0	15.9	0.9	5.7	12,091.9	1,691.8	14.0	9,874.6	1,365.9	13.8
Atlantic Canada and Newfoundland	9,682.6	1,233.3	12.7	601.8	3.7	0.6	9,080.8	1,229.6	13.5	9,799.1	531.7	5.4

*Denotes less than 50,000 pounds; less than one tenth of one percent.

[1]Classification of dry cargo vessels as "liner" or "irregular or tramp" is based on characteristics of each voyage (whether the voyage is part of a scheduled vessel operation, etc.) using the classification criteria of the Maritime Administration.

Table 4.--SHIPPING WEIGHT OF UNITED STATES GENERAL IMPORTS OF MERCHANDISE ON TANKER VESSELS BY TRADE AREA AND FLAG OF VESSEL: CALENDAR YEAR 1951

Data in millions of pounds. Totals represent the sums of unrounded figures, hence may vary slightly from the sums of the rounded amounts

Trade area	Calendar year 1951			Calendar year 1950		
	Total	United States flag	Percent U. S.	Total	United States flag	Percent U. S.
Trade area grand total	100,875.2	49,775.9	49.3	100,162.7	55,015.9	54.9
Foreign trade areas except Canadian	100,844.7	49,757.6	49.3	100,130.9	54,995.5	54.9
Caribbean	79,927.2	42,582.2	53.2	80,702.9	48,428.2	60.0
East Coast South America	3.3	(*)	(*)	.....	.....	.....
West Coast South America	40.0	16.8	42.0	4.1	.....	.....
West Coast Central America and Mexico	41.8	30.7	73.4	22.8	15.6	68.4
Gulf Coast Mexico	6,897.2	3,691.7	60.5	6,011.2	3,740.1	62.2
United Kingdom and Eire	562.4	166.5	29.6	283.1	67.4	23.8
Baltic, Scandinavia, Iceland and Greenland	115.3	.....	.....	140.3	29.9	21.3
Bayonne-Hamburg Range	1,222.9	512.7	41.9	296.8	129.8	43.7
Portugal and Spanish Atlantic	2.0	.....	.....	2.9	.....	.....
Azores, Mediterranean and Black Sea	4,670.9	380.4	8.4	341.9	.....	.....
West Coast Africa	.....	.....	.....	.....	.....	.....
South and East Africa	.....	.....	.....	.....	.....	.....
Australasia	.....	.....	.....	.....	.....	.....
India, Persian Gulf and Red Sea	6,993.8	2,333.9	3.4	12,325.1	2,584.5	21.0
Straits Settlements and Netherlands East Indies	1,045.9	.....	.....	(*)	(*)	(*)
South China, Formosa and Philippines	122.0	42.7	35.0	.....	.....	.....
North China including Shanghai, and Japan	.....	.....	.....	.....	.....	.....
Canadian trade areas	30.4	18.3	60.2	31.8	20.4	64.2
Pacific Canada	2.5	0.4	16.0	8.5	8.4	98.8
Great Lakes Canada	17.9	17.9	100.0	9.8	9.8	100.0
Atlantic Canada and Newfoundland	10.0	(*)	(*)	13.5	2.3	17.0

*Denotes less than 50,000 pounds, less than one tenth of one percent.

THE WORLD TANKER FLEET

A REVIEW OF THE TANKER TONNAGE SITUATION

STATISTICS compiled by John I. Jacobs & Co., Ltd., show that the increase in the world tanker fleet of 2,000 tons d.w. and over gained momentum during the first half of 1952. Newbuildings totalled 75 of slightly over 1,320,000 tons d.w., while deductions only amounted to five vessels of about 53,500 tons d.w., consisting of three broken up and two lost. After minor adjustments, the net increase was just over 1,275,000 tons d.w., against an increase of about 1,130,000 tons d.w. in the second half of 1951, the fleet having now reached a total of 2,366 ships of 31,054,422 tons d.w.

All the main flags except the U.S. show increases, the largest being British with about 300,000 tons d.w., and Liberian with about 228,000 tons d.w. It is remarkable that the first tanker was placed under the Liberian flag only just over three years ago and that this flag now takes seventh place, with a total of more than 1,000,000 tons d.w. Compared with its total fleet, the Norwegian increase of about 140,000 tons d.w. was small, the number of new ships being fewer and again offset to some extent by sales of existing vessels. The largest increase in relation to its previous figure was Brazil, with about 65,000 tons d.w., the nucleus of a new national Brazilian fleet. The further small reduction in tankers under U.S. flag means that they now only represent about 27½ per cent of the present world total as against about 58½ per cent of the world total as at June 30, 1946. This does not mean that the tonnage operated by American interests has actually dropped to anything like this extent, so much of it now being under other flags such as Panamanian and Liberian.

At the end of last year, orders for tankers of 5,000 tons d.w. and over stood at about 590 of about 11,800,000 tons d.w., of which 75, of slightly over 1,320,000 tons d.w., have already been completed. Yet the latest total figure of new orders has now reached about 691 of over 14,300,000 tons d.w., representing about 46 per cent of the present world fleet. This means that about 175 contracts, or rather more than 3,820,000 tons d.w., have been added during the six months under review, although it is probable that many of these orders were placed earlier without being published. The flow of announcements of new orders has tended to slow down considerably during the last two months, but has by no means ceased. Most notable since June 30 is a further seven ships of 32,000 tons d.w. each for a major British oil company.

The delivery figures are most enlightening, and again rather astonishing. Estimates show that the tankers on order at June 30 are due for delivery approximately as follows:—

	No.	Tons d.w.
2nd half year, 1952	103	1,860,000
1953	215	4,390,000
1954	162	3,460,000
1955	102	2,370,000
1956	76	1,690,000
1957	31	760,000

Allowing for some degree of optimism in estimated delivery dates, also possible delays due to the widespread demands for steel, it is to be expected that actual deliveries will fall well short of these targets, especially in the second half of 1952, and in 1953 and 1954. However, it is obvious that the rate of delivery of rather more than 2,000,000 tons d.w. in each of the years 1950 and 1951 will be substantially exceeded in 1952 and entirely outstripped in 1953 and 1954. The main reason for this is that the large capacity U.S. yards are again coming into full-scale operation, after a period of virtual inactivity, building mainly vessels of 26,000/30,000 tons d.w. or even larger. Similarly, German yards are also just running into full production of tankers and completing them in very rapid time. The same applies to Japan on a somewhat smaller scale.

The bulk of the newbuilding tankers fall into three broad groups. The largest comprises vessels for U.S. oil companies and tramp owners of U.S. and various other nationalities which are likely to go under U.S. Panamanian and Liberian flags, amounting to well over 4,000,000 tons d.w. Next come ships for Norwegian tramp owners, totalling about 3,400,000 tons d.w., representing somewhat more than 75 per cent of the present Norwegian fleet. Only a little less is the total of about 3,375,000 tons d.w. for oil companies and tramp owners normally trading under the British flag, about 53 per cent of the existing British fleet. Six months ago this last group was the largest of the three. As regards distribution between oil companies and tramp owners, the balance is heavily on the side of the latter, the respective figures being about 3,840,000 tons d.w. and about 10,500,000 tons d.w. It is estimated that fully 2,700,000 tons d.w. of the new tonnage will come under Greek control, the three largest owning groups each having more than 500,000 tons d.w. on order. Taking into account the fact that such a large proportion of the U.S. and British fleets is owned by oil companies, this means that as far as tramp tonnage is concerned the Greek controlled block probably already ranks only second to the big Norwegian tramp fleet and will increasingly assume this position in the future.

Although most of the British, Swedish and Norwegian shipyards were reported some time ago to be almost fully booked up to 1957, a good many additional contracts at these yards have been announced since the beginning of the year. Doubtless some of them were placed some time ago, in other cases they are probably on berths which had been held in reserve, and in a number of instances they are conversions from dry-cargo ships previously on order. Even the seven large tankers for a British oil company at British yards announced since June 30 are still understood to be for 1955-57 delivery. Most of the German yards are booked much further ahead than those in the U.S. and Japan, which can certainly still offer some deliveries in 1954 provided owners are prepared to face very high prices and are able to pay dollars. French yards, where the cost is also heavy, have benefited from the subsidy arrangements made by their Government and have booked orders both from French and other owners until well into 1955. Government assistance also applies in Italian yards, so far building exclusively for Italian owners and only booked up to about middle-1954. Among yards new to tanker construction, at least since the war, are

WORLD TANKER FLEET OF 2,000 TONS D.W. AND OVER

Flag	Total at 30.6.52 No.	Total at 30.6.52 Tons d.w.	Per-centage	Total at 31.12.51 No.	Total at 31.12.51 Tons d.w.	Per-centage
U.S.	583	8,578,029	27.62	585	8,602,562	28.89
British	515	6,344,825	20.43	502	6,047,633	20.31
Norwegian	303	4,442,069	14.30	295	4,306,160	14.46
Panamanian	193	2,901,022	9.34	186	2,796,084	9.39
French	94	1,246,382	4.01	88	1,122,592	3.77
Italian	92	1,101,102	3.55	88	1,047,492	3.52
Liberian	48	1,014,804	3.26	37	783,146	2.63
Dutch	109	872,052	2.81	107	865,752	2.91
Swedish	53	792,121	2.55	47	672,726	2.26
Japanese	42	562,896	1.81	39	507,896	1.70
Danish	31	463,533	1.49	30	443,911	1.49
Argentine	46	447,323	1.44	44	412,423	1.39
Canadian	53	355,495	1.14	52	339,695	1.14
Honduran	12	228,910	0.74	11	220,610	0.74
Spanish	23	200,505	0.65	23	200,505	0.67
Mexican	20	189,772	0.61	20	189,772	0.64
Greek	14	167,770	0.54	13	162,033	0.54
German	15	163,548	0.53	14	153,284	0.52
Venezuelan	36	157,231	0.51	36	157,231	0.53
Brazilian	12	151,341	0.49	8	86,281	0.29
Russian	21	149,892	0.48	21	149,892	0.50
Belgian	8	100,565	0.32	8	100,565	0.34
Portuguese	9	97,865	0.32	8	81,765	0.27
Finnish	7	79,195	0.26	7	79,195	0.27
Chinese	5	61,000	0.19	5	61,000	0.20
Turkish	4	39,360	0.13	4	39,360	0.13
Uruguayan	2	33,230	0.11	2	33,230	0.11
Swiss	2	22,360	0.07	2	22,360	0.08
Yugo-Slav	2	21,710	0.07	2	21,710	0.07
Polish	2	21,329	0.07	2	21,329	0.07
Costa Rican	1	10,327	0.03	1	10,327	0.04
Pakistan	1	9,760	0.03	1	9,760	0.03
Chilean	2	9,662	0.03	2	9,662	0.03
Peruvian	2	6,500	0.02	2	6,500	0.02
Indian	1	5,380	0.02	1	5,380	0.02
Colombian	1	3,065	0.01	1	3,065	0.01
New Zealand	1	3,000	0.01	1	3,000	0.01
Siamese	1	2,000	0.01	1	2,000	0.01
	2,366	31,054,422		2,296	29,927,488	

SOURCE: John I. Jacobs & Co., report, as published in "The Shipping World" for Aug. 20, 1952

Nordseewerke, Emden, and Jos. Boel & Fils S.A., Belgium, both of which have recently booked orders for 1953-54 delivery.

The tendency towards increased size is constantly noticeable. Greek owners leading the way with the largest ships. The 50,000-tonner which has often been projected has not yet become a reality, but at least five vessels of about 45,000 tons d.w. are now on order in the U.S.A. closely followed by two of 44,000 tons in the U.K. and two of 40,000 tons in Germany, all for Greek account. Next come four 38,000-tonners in Japan for U.S. tramp owners. Newbuildings in the 24,000/33,000 tons d.w. class total about 185, including a considerable number for oil companies. Existing ships in this class already total 99. Of the remaining newbuildings, the great majority are of 16,000/20,000 tons d.w., with the emphasis on the 18,000-tonner. The following table illustrates clearly the trend in size of tankers of 5,000 tons d.w. and over:—

	Average size
Existing fleet as at 31.12.51	14,325 d.w.
Newbuildings delivered during 1st half, 1952	19,155 d.w.
Newbuildings on order as at 30.6.52	20,755 d.w.

Although port facilities in many places are being developed to accommodate the ever-increasing size, and the very large ships certainly provide the most economic transportation wherever it is practicable to use them, there may well come a time when a definite move will have to be made towards replacing the more moderate size ships which are needed for many ports and trades where limitations will still apply. Tramp owners can hardly be encouraged to build 12,000/14,000-tonners while in general such ships are only able to command the same rate as the 16,000/18,000 or even 20,000-tonner. In time charter negotiations it is often argued, for example, that a 13,500 tons d.w. ship will show a higher freight cost per ton of oil carried and that she is consequently only worth a lower rate of hire than a vessel of 16,000 or 18,000 tons d.w.

Of the 691 new tankers on order, about 275 are turbine ships and the remainder diesel. Broadly, the dividing line is still around the 18,000/19,000 tons mark, the diesel engine being most used up to this size and the turbine for larger vessels. A wide divergence of views is to be seen between Scandinavian owners on the one hand and American and Greek on the other. The former still appear reluctant to turn to the turbine even for their large ships, while the latter are now using the turbine almost exclusively for all sizes. British oil companies are also increasingly favouring the turbine for any ships of 18,000 tons or larger.

Although water speeds necessarily remain low in relation to most other forms of transportation, the tanker is by no means lagging behind in the general move towards ever-increasing speed. Many ships capable of 16/17 knots on trials are on order, and anything below about 15 knots on trials is rather the exception among recent contracts. In the case of large diesel tankers, this is leading to the development of engines of quite exceptional size and horse power.

Without attempting any forecast, we drew attention in our last review to a number of important factors. None of these have materially changed except that perhaps the prospects of termination of the war in Korea now appear less encouraging. The loss of the Abadan refinery is still causing many long hauls to supply territories in the Eastern Hemisphere with the products formerly refined at Abadan, and the increased import of crude oil into California from the Persian Gulf has also given rise to many more long hauls.

New factors in the reverse direction tending to reduce the demand for tonnage are the pipeline from Kirkuk to Banias, although not yet operating to full capacity, also strikes which have occurred in the U.S. refineries and steel industry. Another feature not so directly affecting tankers, but nevertheless disquieting, is the current depression in the dry-cargo market.

On balance, and remembering that the margin of free tonnage operating voyage by voyage has been quite small, it might have been expected that the tanker market over the summer months would at least have remained as firm as last year, but this has by no means been the case. At the moment, it seems that most major charterers are well supplied with tonnage for the next months and not particularly anxious to start negotiations for forward positions. On the other hand, owners generally maintain an optimistic outlook for the coming winter and are equally reluctant to tie up their ships unless an attractive proposition is put before them. On longer term time charter basis, the volume of business concluded recently has been much smaller, but there is no sign of rates having been influenced to any degree by the weak voyage market.

It is true that since 1950 the oil trade has proved to be capable of absorbing new tonnage at the rate of rather more than 2,000,000 tons d.w. each year, and in view of the shortage which developed at peak periods it is evident that even more could have been absorbed. This, however, can hardly be regarded as a period of entirely normal expansion since it has included both the Korean war and the initiation of a wide rearmament programme, although admittedly the latter may be expected to assume much larger proportions over the next two or three years. The inference is that unless anything unforeseen happens, the oil industry should comfortably be able to continue to take in new tonnage at a similar rate, but in fact the figures already quoted show that between now and the end of 1954 deliveries should be at a much higher rate, and in 1953 in particular will probably be nearer double.

Certain estimates of the probable increase in world oil consumption have recently been given by a representative of a leading oil company, and it has been suggested that an increase in the world tanker fleet of about 10,000,000 tons d.w. will be needed in the next 5 to 6 years. Figures concerning new building tankers, however, indicate that as much as 13,500,000 tons d.w. should be added by the end of 1956, and while this makes no allowance for scrapping the experience of the past few years leads to the conclusion that nothing even approaching this balance of 3,500,000 tons d.w. is likely to be broken up within this period. The fact that breaking up during the first half of this year only amounted to three very old vessels, of less than 25,000 tons total d.w., again suggests that this is almost a negligible factor so long as good rates are obtainable.

Appendix C

ARTICLE FROM THE SHIPPING WORLD, DATED AUGUST 20, 1952.

(See opposite ☛)

Appendix C

October 17,1952

MERCHANT FLEETS OF THE WORLD AS OF JUNE 30, 1952. (TONNAGE IN THOUSANDS)

FLAG	NO.	GROSS	DWT
Total - All Flags	13,788	80,222	112,675
United States	3,441	25,627	36,905
British Empire	3,006	18,797	24,676
Argentina	141	903	1,153
Belgium	75	428	582
Brazil	182	684	971
Burma	4	14	22
Bulgaria	4	10	19
Chile	41	161	217
China	143	415	581
Colombia	12	33	46
Costa Rica	17	88	131
Cuba	11	26	34
Czechoslovakia	1	6	11
Denmark	312	1,260	1,825
Dominican Republic	1	3	2
Ecuador	6	15	21
Egypt	20	80	88
Finland	193	527	795
France	559	3,276	4,120
Germany	319	1,002	1,615
Greece	211	1,177	1,791
Guatemala	1	3	3
Honduras	79	425	591
Hungary	2	2	3
Iceland	13	34	38
Indonesia	8	34	40
Iran	1	7	10
Ireland	12	36	54
Israeli	23	105	149
Italy	517	3,048	4,196
Japan	497	2,379	3,512
Korea	4	8	12
Liberia	99	942	1,501
Mexico	30	152	220
Netherlands	496	2,865	3,746
Nicaragua	3	5	7
Norway	961	5,533	8,437
Panama	550	3,730	5,597
Peru	22	85	113
Philippines	23	93	127
Poland	59	241	338
Portugal	93	419	548
Rumania	7	30	36
Spain	268	982	1,312
Sweden	594	2,157	3,239
Switzerland	21	96	152
Syria	1	1	2
Thailand	7	12	18
Turkey	109	387	516
Uruguay	8	48	73
U.S.S.R.	477	1,457	1,910
Venezuela	51	149	209
Yugoslavia	53	225	356

Source: U.S. Department of Commerce, October 9, 1952.